FILED NO. 248
BOOK 53 PAGE 178
1986 AUG -4 PM 1:52
MARY E. WELTY
RECORDER
MADISON COUNTY, IOWA
Fee $15.00

IND. ✓
REC. ✓
PAGE ✓

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT ("Agreement"), made as of the 20 day of July, 1986, between Ronald L. Goodknight (hereinafter collectively referred to as "Vendors", and Associated Theatres, Inc., an Iowa corporation, (hereinafter referred to as "Lessee").

RECITALS

A. By Lease dated as of July 17, 1986 ("Lease"), Walter C. Hendricks and Kathy Jo Hendricks ("Lessors") leased to Lessee space ("Leased Premises") in the property legally described as follows ("Property"):

> The first floor of the premises legally described as the West One-half (1/2) of of the East Two-thirds (2/3) of Lot Six (6) in Block Eleven (11) of the Original Town of Winterset, Madison County, Iowa.

B. Lessor executed a Real Estate Contract with Vendors dated January 20, 1983, in the amount of $27,500.00 plus interest for the purchase of the Property, which Real Estate Contract was recorded in the office of the Madison County Recorder in Book 51 at page 67 ("Contract").

C. As a condition of the Lease, Lessee has requested a Subordination, Non-Disturbance and Attornment Agreement.

NOW, THEREFORE, in consideration of the sum of One Dollar ($1.00) paid by Vendors and Lessee to the other and other good and valuable consideration, receipt and sufficiency of which is hereby acknowledged, and the mutual covenants, agreements and promises herein contained, IT IS HEREBY AGREED AS FOLLOWS:

1. Lessee agrees that the Lease is hereby made and shall continue hereafter to be subject and subordinate to the interest of the Vendors pursuant to the Real Estate Contract subject, however, to the provisions of this Agreement.

2. In the event that Vendors, their successors, assigns, nominees or any other party shall come into possession of the Property by foreclosure, forfeiture or by any other means (Vendors' successors, assigns, nominees or any other party shall hereinafter collectively be referred to as "Successors") and Lessee is not then in default (beyond any grace period set forth in the Lease for curing default) with respect to any covenants or conditions of the Lease to be performed by Lessee, Lessee shall peaceably hold and enjoy the Leased Premises for the remainder of the unexpired term thereof, including any expansion and renewal rights thereunder, which possession shall be without disturbance.

3. Vendors agree that Lessee shall not be joined as a party defendant in any action or proceeding which may be instituted or taken by Vendors by reason of any default in the performance of the terms, covenants, conditions and agreements set forth in the contract, except as may be required by law for jurisdictional purposes of the subject matter or person provided, however, if Lessee is joined Vendor agrees that he shall take no action to dispossess tenant during the remaining lease term or renewal thereof except for breach or nonperformance of the terms of the lease occurring after the initiaion of the forfeiture or foreclosure action

4. Lessee agrees that in the event Vendors succeed to the rights of Lessor pursuant to the Lease, Lessee will attorn to Vendors and will perform for the benefit of Vendors all of the terms, covenants and conditions contained in the Lease to be kept and performed by it, and will, at the request of any such party, execute and deliver a written agreement of attornment.

5. The term "Vendors" shall be deemed to mean the holder of the Contract from time to time, or as the same may be assigned.

6. This Agreement and the covenants, conditions and promises herein contained shall inure to the benefit of and be binding upon Vendors and Lessee, their respective successors, assigns, grantees and legal representatives and, with respect to the Lessee, any permitted lessees and sublessees of Lessee.

7. Any and all notices required or agreed to be given pursuant hereto shall be sufficient if in writing and mailed by United States Certified or Registered Mail, postage prepaid, addressed to Vendors or Lessee, as the case may be, as follows:

If to Vendors at: Ronald L. Goodknight
406 N. 1st Avenue
Winterset, Iowa 50273

If to Lessee at: Associated Theatres, Inc.
1213 25th Street
Des Moines, Iowa 50311
Attention: Peter J. Frederick

All notices shall be deemed to have been received seven (7) days following the postmark dates thereof. Either party on a similar notice to the other party may change the address for notices to it.

IN WITNESS WHEREOF, Vendors and Lessee have caused this Agreement to be executed as of the day and year first above written.

VENDORS:

Ronald L. Goodknight

LESSEE:

ASSOCIATED THEATRES, INC.

by Peter J. Frederick
Peter J. Frederick, President

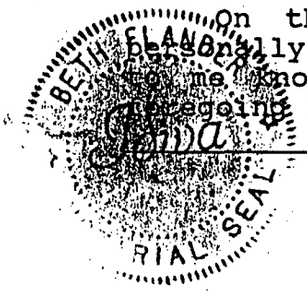
STATE OF IOWA)
) SS
POLK COUNTY)

On this 31st day of January, 1986, before me, the undersigned, a Notary Public in and for said State personally appeared Peter J. Frederick to me personally known, who, being by me duly sworn did say that he is the President of said corporation; that no seal has been procured by the said corporation; that said instrument was signed on behalf of said corporation by authority of its Board of Directors; and that the said Peter J. Frederick as such officer, acknowledged the execution of said instrument to be the voluntary act and deed of said corporation, by it and by him voluntarily executed.

Notary Public in and for said State

STATE OF IOWA)
) SS
COUNTY OF Madison)

On this 21st day of July, A.D., 1986, before me personally appeared Ronald L. Goodknight to me known to be the person named in and who executed the foregoing instrument, and acknowledged that he executed the same as his voluntary act and deed.



Beth Flander
Beth Flander Notary Public

STATE OF IOWA)
) SS
COUNTY OF)

On this _____ day of _____, A.D., 1986, before me personally appeared _____ to me known to be the person named in and who executed the foregoing instrument, and acknowledged that _____ executed the same as _____ voluntary act and deed.

_____
Notary Public

STATE OF IOWA)
) SS
COUNTY OF)

On this _____ day of _____, 1986, before me, the undersigned, a Notary Public in and for said State, personally appeared _____ and _____ to me personally known, who, being by me duly sworn did say that they are the _____ and _____, respectively; of said corporation; (that no seal has been procured by the) (the seal affixed thereto is the seal of) said corporation; that said instrument was signed (and sealed) on behalf of said corporation by authority of its Board of Directors; and that the said _____ and _____ as such officers, acknowledged the execution of said instrument to be the voluntary act and deed of said corporation, by it and by them voluntarily executed.

_____
Notary Public